

Chapter 14 - Month End/Year End Closing Process

The closing procedures allows ADPICS accounting transactions to be applied by R★STARS in the month or fiscal year within which they are associated, rather than the month or fiscal year in which the transaction is processed.

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The following information will assist in the Month End and Year End process:

Month End is the period of time between the end of the calendar month and the date when the fiscal month's accounting records are closed (closing the books). The accounting month does not end on the last day of the calendar month. The "books" stay open for a period of time into the next calendar month. During that period of time, documents can be posted to the prior month by using a prior month effective date, or to the new month by using a new month effective date. After that period of time, the document's effective date must be in the new month, as no transactions can be posted to the prior closed month.

Year End is the period of time between the end of the fiscal year and the date when the fiscal year's accounting records are closed (closing the books). The accounting fiscal year does not end on the last day of the calendar fiscal year. The "books" stay open for a period of time into the next fiscal year. During that period of time, documents can be posted to the prior fiscal year (if the document type is still open in R★STARS) by using a prior fiscal year effective date (twelfth or thirteenth month). This is done when the document's accounting transactions should impact the prior year's funds. Documents will post to the new fiscal year's accounting when using a new fiscal year effective date. After the Year End Closing period, all documents' effective dates must be in the new fiscal year, as no transactions can be posted to the prior fiscal year.

Documents posted in ADPICS impact the accounting records in R★STARS on the date entered in the document's Effective Date field. When not entered, the effective date defaults to the current date. When it is necessary to impact accounting in a prior fiscal month or prior fiscal year, the appropriate effective date must be entered.

The Interface Type entered on an ADPICS document infers the appropriate accounting transaction code(s) in R★STARS. Special Year End interface types must be entered on requisitions and purchase orders when changing accounting from the prior fiscal year to the new fiscal year. This allows R★STARS to liquidate the prior fiscal year pre-encumbrance/encumbrance and establish a new fiscal year pre-encumbrance/encumbrance.

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*Data Entry Guide
Month End/Year End Closing Process*

State of Michigan, Version 4.1

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14.1 MONTH END CLOSING

See the DMB Office of Financial Management's Closing Calendar for specific Month End Closing dates.

14.1.1 Month End Effective Dates

Documents created in one fiscal month, but intended for and posted after the month end closing period, must have the effective date changed prior to posting the document. Normally these documents go through an approval path. In order for the last approver to approve the document, the effective date must be changed to the new fiscal month. With proper security, the final approver may change the effective date while the document is in the approval path. If the final approver does not, or cannot, change the effective date, the document must be rejected back to the initiator. The initiator must change the effective date to the new fiscal month and repost the document, sending it back through the approval path. The initiator should include a statement in the note pad so that the approvers know that the document's effective date was changed.

14.2 YEAR END CLOSING

See the DMB Office of Financial Management's Closing Calendar for specific Year End Closing dates.

See the DMB Office of Financial Management's Year End Closing Manual for specific State of Michigan Year End Policy.

14.2.1 Cancel a Year End Document

When canceling a prior fiscal year purchase order or requisition, it is necessary to change the defaulted effective date on the Document Cancellation screen (PCHL8500) if you receive the error message "EFFECTIVE DATE MUST BE IN THE SAME FISCAL YR AS REFERENCED DOC EFF DATE." This date must be 09/31/YYYY (thirteenth month) of the prior fiscal year in order to liquidate the encumbrance/pre-encumbrance in the prior fiscal year. The system will not automatically format the thirteenth month date. It must be entered in the format shown.

All other procedures for canceling a prior fiscal year document are the same as any other document cancellation. See Section 7.2 Document Cancellation for complete Document Cancellation instructions.

14.2.2 Change Accounting on a Year End Document

In order to change the accounting on a posted requisition or purchase order from the prior fiscal year to the new fiscal year or add new fiscal year accounting to the existing prior year accounting, you must create an Advice of Change for the requisition or purchase order. See Section 7.1 Advice of Change for complete Advice of Change instructions.

After creating and posting an Advice of Change (PCHL8010) to request the appropriate fiscal year accounting changes, the requisition or purchase order must be changed.

The actual changes are made on the Requisition Header Entry screen (PCHL2100) and related detail screens, or the Direct Purchase Order Writing screen (PCHL2360) and related detail screens. The Requisition Header Entry screen (PCHL2100) is used for requisitions and job tickets. The Direct Purchase Order Writing screen (PCHL2360) is used for purchase orders and direct purchase orders.

Follow the appropriate directions in the following sub-sections, based on your intended outcome:

Change Accounting From Prior ~~AYFY~~ to New ~~AYFY~~

This method is used when changing all accounting to the new year, and nothing has been received or invoiced.

When changing an existing accounting line on a requisition or purchase order from the prior fiscal year to the new fiscal year, the Distribution Method indicator must be changed to 'M' (multiple) if it was not already multiple. ~~(based on Policy). This is done in order to avoid potential accounting errors if the Interface Type is not changed or future accounting changes become necessary.~~

~~Enter Change~~ the Interface Type ~~asto~~ 'YR' (year end requisition) or 'YP' (year end purchase order). This must be done in order to correctly close prior appropriation year's accounting and open new appropriation year's accounting ~~debit and credit the appropriate funds in R★STARS.~~

Delete the prior fiscal year accounting line(s) using <F3> Delete. **They must be deleted, not overtyped.**

The appropriate new appropriation ~~fiscal~~ year accounting line(s) must then be added to each commodity line.

- To change a requisition or job ticket, see Section 3.1.5 Verify Accounting and Correct Accounting Errors on Unposted Requisition and Section 3.1.6 Verify and Correct Commodity Line on Unposted Requisition.

- To change a purchase order or direct purchase order, see Section 3.6.5 Verify Accounting and Correct Accounting Errors on Unposted Direct Purchase Order and Section 3.6.6 Verify and Correct Commodity Line on Unposted Direct Purchase Order.

Change Accounting From Prior ~~AY-FY~~ to New ~~AYFY~~ on Partially Vouchered PO

This method is used when changing all accounting to the new year and a portion of the order has been vouchered.

Before processing the purchase order, check for unprocessed voucher(s). If there is an unprocessed voucher it must be deleted or posted. A posted invoice or receiver will not prevent creation of an A/C as long as a voucher has not been generated.

When changing an existing accounting line on a partially vouchered purchase order or direct purchase order from the prior fiscal year to the new fiscal year, the Distribution Method indicator must be changed to 'M' (multiple) if it is not already multiple (based on Policy). ~~This is done in order to prevent potential accounting errors if the Interface Type is not changed or future accounting changes become necessary.~~

Enter ~~Change~~ the Interface Type ~~asto~~ 'YP' on the Direct Purchase Order Writing screen (PCHL2360) (year end purchase order). This must be done in order to correctly debit and credit the appropriate funds in R★STARS.

When an accounting line has been partially vouchered, the dollar amount of the prior fiscal year accounting line must be decreased to the liquidated dollar amount. To determine the liquidated dollar amount, use the <F11> Liqd Amt function key on the PO/Contract Accounting Information Summary screen (PCHL2344).

A new commodity detail line must be added to the document because the existing commodity line accounting has been liquidated and can no longer be received/invoiced against. Change the old year quantity and total cost to the amount that was liquidated. Then create a new detail line by blanking out the line number on the Direct Purchase Order Accounting Detail screen (PCHL2364). On the new detail line (that you just created or duplicated) enter the quantity that will be moved into the new year. Use the same unit cost and adjust quantity to equal the correct total cost. The new fiscal year accounting is then added to the new commodity line for the dollar amount not yet liquidated. The dollar amount may be increased or decreased if desired.

This will result in one commodity line being totally vouchered and an identical commodity line containing the remaining (or increased/decreased) accounting amount. The liquidated amount should match the sum of all the old year accounting lines. The remaining amount should be the sum of all the new year accounting lines. Receiving and/or invoicing will be performed against the new commodity line in the new fiscal year.

If additional freight charges were added to the order, create a new detail line for the amount of the freight, using the same steps listed above. Use the old fiscal year account coding, for the freight charges.

- To change a purchase order or direct purchase order, see Section 3.6.5 Verify Accounting and Correct Accounting Errors on Unposted Direct Purchase Order, and Section 3.6.6 Verify and Correct Commodity Line on Unposted Direct Purchase Order.

Add New AYFY Accounting to Prior FYFY Document to Voucher Against Both AYFYs

This method is used when part of an order should be vouchered against the prior year's accounting, and part of the order should be vouchered against the new year's accounting.

When you still want to create vouchers for the prior fiscal year accounting line, as well as voucher to the new fiscal year accounting line for the same commodity, do not draw down the prior year's accounting amount. Do not change the Interface Type because the prior year's accounting is not being liquidated. Use the Distribution Method appropriate for the document based on the addition of the new fiscal year accounting.

Add a new commodity line with the same commodity. Add the new fiscal accounting line.

Receive/invoice against the appropriate commodity line number, based on the fiscal year's accounting that you want to liquidate.

- To change a purchase order or direct purchase order, see Section 3.6.5 Verify Accounting and Correct Accounting Errors on Unposted Direct Purchase Order, and Section 3.6.6 Verify and Correct Commodity Line on Unposted Direct Purchase Order.